

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

Newport News Division



UNITED STATES OF AMERICA

v.

STEPHEN G. GENAKOS,

Defendant.

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) CRIMINAL NO. 4:23-cr-37
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STATEMENT OF FACTS

By signing below, the parties stipulate that the following facts are true and correct, and that had the matter gone to trial the United States would have proven them beyond a reasonable doubt, by competent and admissible evidence.

1. The Internal Revenue Service ("IRS") was an agency within the Department of the Treasury responsible for administering and enforcing the tax laws of the United States and collecting taxes owed to the Treasury of the United States by its citizens and other entities.

2. STEPHEN G. GENAKOS (hereinafter "GENAKOS"), the defendant herein, was a resident of Williamsburg, Virginia.

3. Sarantos, Inc., was a Virginia corporation, having made a Subchapter S election, doing business as the restaurant, Sportsmans Grille, in James City County, Virginia. The result of that tax status was that any income of the business would flow through to the defendant's personal income tax returns.

4. From in or about January of 2016 through at least in or about December of 2020, the defendant was the managing director and sole owner of Sarantos, Inc.

5. For tax years 2016 through 2020, the defendant hired a tax preparer in Maryland to prepare and submit his personal income tax returns and the corporate tax returns for Sarantos, Inc.

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6. From the Eastern District of Virginia, the defendant aided and assisted in the preparation of materially false tax returns by providing incomplete and otherwise false information about both his personal taxable income and the taxable income for his business.

7. The defendant received additional unreported income from Sarantos, Inc., and other activities that he knowingly failed to report on his personal and business tax returns.

8. In early 2021, the defendant listed the Sportsmans Grille for sale. An IRS Criminal Investigation Special Agent, posing as a potential buyer, contacted the defendant through the listing broker. In a recorded phone conversation in February 2021, the defendant stated that the Sportsmans Grille only reported credit card receipts on its tax returns, but that the defendant obtained cash from the business that went unreported. The defendant referred to a set of books or ledgers where each days' cash receipts, along with other sales figures, was recorded.

9. In a meeting that took place between the defendant and the IRS Special Agent (posing again as a buyer) in April 2021, the defendant affirmed that he took cash from the business.

10. A federal search warrant executed at the Sportsmans Grille located, among other items, this set of annual books or ledgers that contained information as to the business' cash receipts.

11. The acts taken by the defendant in furtherance of the offense charged in this case, including the acts described above, were done with the specific intent to violate the law. The defendant acknowledges that the foregoing statement of facts does not describe all of the defendant's conduct relating to the offense charged in this case.

Respectfully Submitted,

Jessica D. Aber
Acting United States Attorney

By:



Brian J. Samuels
Managing Assistant United States Attorney

D. Mack Coleman
Assistant United States Attorney


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DME

Defendant's Signature: After consulting with my attorney and pursuant to the plea agreement entered into this day between myself, the United States and my attorney, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.



STEPHEN G. GENAKOS
Defendant

Defense Counsel's Signature: I am the attorney for defendant STEPHEN G. GENAKOS. I have carefully reviewed the above Statement of Facts with the defendant. To the best of my knowledge, the defendant's decision to stipulate to these facts is an informed and voluntary one.



Counsel for Defendant

